

The Economic Impact of the South Carolina Sea Grant Consortium

A State-Level and Regional Perspective



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The Economic Impact of the South Carolina Sea Grant Consortium: A State-Level and Regional Perspective

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Executive Summary

South Carolina's coastal region is a major contributor to the state's economy. Coastal South Carolina maintains a thriving recreation and tourism sector, and it also is characterized by a diversity of historical, cultural, and economically important traditional waterfront uses, including small businesses, trades and crafts, wharves, and subsistence. The South Carolina coastal region supports sizeable fisheries and aquaculture industries, seaports that support over \$45 billion¹ in annual economic activity, and many other smaller industries dependent upon the state's coastal and ocean resources.

Because of their importance to the state's economy, it is critically important to strike a balance between responsible management of South Carolina's coastal and ocean resources and development. The South Carolina Sea Grant Consortium (SCSGC) was created as an independent state agency designed for exactly this purpose – that is – to generate and provide science-based information to enhance the practical use and conservation of coastal and marine resources that foster a sustainable economy and environment for the state of South Carolina.

In the pursuit of this mission, the SCSGC injects millions of dollars into South Carolina's communities each year. The SCSGC regularly acquires external competitive funding to support direct investments in research and development, outreach and education, the formation of self-sustaining research and education facilities, and the management of various environmental-based volunteer activities. Each of these externally funded activities has a considerable impact on the state of South Carolina and the broader Southeast region by increasing the employment and income base as well as the overall economic activity.

This study analyzes the economic impact the SCSGC has on South Carolina and the states of North Carolina and Georgia through three specific sets of activities in which it engages: (1) the acquisition of federal grant funding for various marine and coastal research and outreach projects; (2) the coordination and management of volunteer activities that provide regular cleanup services for beaches, marshes, and waterways; and (3) the creation and development of independently run regional coastal and ocean startup programs devoted to research and education as well as workforce training programs for various coastal industries. Among the major findings of this study are:

¹ South Carolina State Ports Authority: <http://www.port-of-charleston.com>

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- *The total annual economic impact of the SCSGC on the state of South Carolina is \$8.9 million. This is the dollar value that represents the total value of all goods and services associated (either directly or indirectly) with the economic activities of the SCSGC. This impact corresponds to nearly \$2.8 million in labor income for South Carolinians. In the tri-state region comprised of South Carolina, North Carolina, and Georgia, the total economic impact increases to \$11.5 million, which is associated with \$3.8 million in labor income.*
- *The SCSGC's total economic impact of \$8.9 million in South Carolina is associated with a statewide output multiplier of 1.6. In other words, for every one hundred non-state dollars² spent by activities associated with the SCSGC, an additional sixty dollars in economic activity, on average, is generated elsewhere in the state.*
- *The employment multiplier associated with SCSGC activities geared towards research and development is estimated to be 2.1. This means for every 10 jobs created directly by the SCSGC in marine and coastal research, on average, an additional 11 jobs are created elsewhere in South Carolina.*
- *A return-on-investment (ROI) analysis comparing the total (direct plus economic multiplier effects) net increase in spending activity across South Carolina generated or supported by the activities of the SCSGC to the state appropriations provided by the state of South Carolina yields an ROI of 2,679 percent. This implies that every dollar appropriated to the SCSGC by the state of South Carolina generates or supports, on average, an additional twenty-six dollars in economic output for the state.*

Thus, the SCSGC not only benefits the state of South Carolina through preserving and enhancing coastal resources for businesses, visitors, and residents, but it also directly generates new economic activity through the external funding it brings to the state and its contributions to the employment and income base of South Carolina every year.

² Non-state dollars refer to dollars that do not come from state appropriations.

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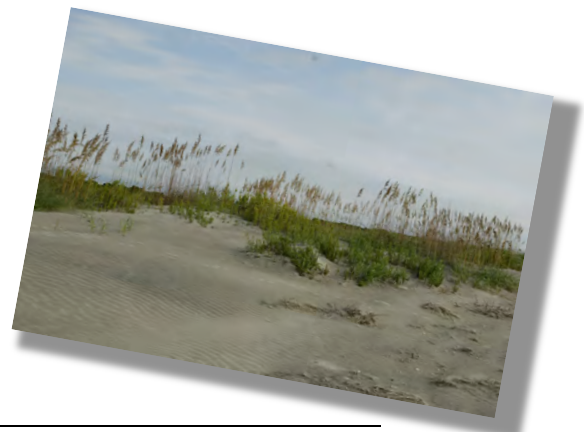
Section I – Introduction

The South Carolina Sea Grant Consortium (SCSGC), an independent state agency, was created in 1978 by the state of South Carolina to manage and administer the National Oceanic and Atmospheric Administration's (NOAA) Sea Grant College Program for South Carolina and adjacent regions that share a common heritage. The National Sea Grant College Program, an agency with the U.S. Department of Commerce, is based in Silver Spring, Maryland, and oversees 33 state programs throughout the United States. These programs serve as the core of a national, university-based network designed to generate and deliver science-based information to support economic opportunity, ensure wise use and conservation of the state's coastal and marine resources, and improve the social well-being of those who live, work, and play along the nation's coasts, oceans, and Great Lakes. This national network engages over 300 of the nation's top universities to conduct scientific research, education, and outreach projects and more than 3,000 scientists, engineers, educators, and students. State Sea Grant programs provide the ability for local, state, national, and even international interests to be compatible with one another. For example, these programs allow local needs to receive national attention and also ensure that national and international priorities are carried out at the local level.

In addition to fourteen FTE staff members³, the SCSGC consists of eight member institutions throughout the state: Clemson University, Coastal Carolina University, College of Charleston, Medical University of South Carolina, South Carolina Department of Natural Resources, South Carolina State University, The Citadel, and the University of South Carolina. The SCSGC also networks with major universities and other research facilities in both North Carolina and Georgia and throughout the United States.

In South Carolina, the SCSGC has five primary focus areas:

- Understanding Coastal and Ocean Ecosystems
- Supporting Sustainable Coastal Development and Economies
- Enhancing Hazard Resilience in Coastal Communities
- Promoting Sustainable Fisheries and Aquaculture Industries
- Fostering Scientific Literacy and Workforce Development



³ FTE refers to full-time equivalent positions.

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In support of each of these focus areas, the SCSGC actively participates in coastal and ocean research and outreach, the development of formal and informal education and communication programs, the collaboration of universities and research facilities, the acquisition and management of competitive funding, and the leveraging of each project partner's resources. Thus, the SCSGC serves as a facilitator among various research organizations, acquiring and distributing funding for marine research, which fosters the sustainable development of coastal resources. The SCSGC coordinates these research, extension, education, and communications efforts to ensure that they are completed successfully and benefit the stated goals of the agency's strategic plan. The strategic plan is shaped with input from the SCSGC's diverse stakeholders and constituencies, its Board of Directors, and its Program Advisory Board, and is aligned with the goals and objectives of the National Sea Grant College Program.

Through the activities outlined above, millions of dollars are injected annually into local communities throughout South Carolina and into North Carolina and Georgia as well. These dollars include direct investments in research and development, the formation of self-sustaining research and outreach facilities, and the creation and management of natural resource-

based volunteer activities. Taken together, these activities have a sizeable impact on the state of South Carolina's employment and income base, as well as on the southeastern region more broadly. They also contribute to the health of South Carolina's coastal- and ocean-based industries, such as recreation and tourism, fisheries, and aquaculture, by informing decision-makers on issues related to the use and conservation of beachfront properties and other coastal resources. Further, many of the activities of the SCSGC involve substantial research and development, and contribute to the knowledge economy in South Carolina by attracting and retaining intellectual talent, which provides ongoing contributions to the knowledge base and skillsets of the population.

The purpose of this study is to quantify the total economic impact of the SCSGC in South Carolina, as well as in North Carolina and Georgia. The economic impact of the SCSGC can be measured in three specific ways: (1) through the creation of new jobs, income, and overall economic activity that the SCSGC brings to the state through the acquisition of federal funding; (2) through the creation and management of volunteer services that would otherwise have to be paid for by or within the state of South Carolina; and (3) through the creation of independent spinoff organizations and workforce training programs. The total economic impact resulting from

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(1) through (3) then allows for a return-on-investment (ROI) analysis for the state of South Carolina. This ROI will illustrate the economic benefits to the state of South Carolina that result from each dollar South Carolina appropriates to the SCSGC.

Section II of this study outlines the methodology that underlies economic impact analysis, including a description of direct, indirect, and induced impacts that constitute the economic multiplier, or ripple, effect. Section III describes in detail the ways in which the economic impact of the SCSGC is measured, Section IV highlights the main findings of this study, and Section V concludes.

Section II – Methodology

The economic impact of any organization is based upon how it increases the demand for goods and services in its local region over what it would have been otherwise. A positive economic impact is synonymous with new economic activity, such as more

goods and services being produced and consumed. For example, if a restaurant opens in a local area, it benefits consumers by providing meal services and it benefits workers who are hired and paid an income for providing those services.

Economic impacts are typically broken down into *direct*, *indirect*, and *induced* effects. The *direct* impact of an organization refers to the initial change in economic activity, which results from expenditures that the organization makes within the local economy. For instance, a new business may purchase machinery and equipment from a local manufacturer or hire workers from the local labor force. In both cases, the business is increasing demand for supplies and workers and thus stimulating economic activity through these expenditures.

The *indirect* impact refers to impacts that result from additional rounds of spending that occur due to inter-industry linkages between local firms. For example, if the SCSGC were to purchase computer hardware, then the computer hardware vendor would experience an increase in demand, thus requiring it to purchase additional supplies and equipment. As a result, the computer hardware vendor supplier would also see an increase in demand. These additional rounds of spending continue on and ripple through the supply chain and affect many industries in the region.



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The *induced* impact refers to impacts that result from additional rounds of spending that occur due to increases in household income. For instance, when the SCSGC purchases computer hardware, this leads to an increase in demand for the computer hardware vendor. As a result, some of the computer hardware vendor staff will see an increase in their income levels. Part of this additional income will then be spent in the local economy on, for example, food or housing. These industries will then see an increase in demand for their goods and services, which will lead to an increase in incomes for some of their employees, a portion of which will also be spent locally.

Of course these successive rounds of indirect and induced spending do not go on indefinitely, which is why a specific value can be calculated for each of them. In each round of spending, money is “leaked out” for a variety of reasons. For example, employees will save some of their money or spend a portion of it outside

of the local region. In order to estimate the total economic impact of an organization, economic multipliers are used.

An economic multiplier can be used to determine the total economic impact (direct, indirect, induced) that results from an initial change in economic activity (the direct impact). Multipliers vary by region size, industry size, and the size of the local supplier network. As an example, a given increase in demand for computer hardware would have a larger impact on the tri-state region of South Carolina, North Carolina, and Georgia than it would have on South Carolina alone. Multipliers are typically used to calculate the impact on employment, labor income, and economic output – three standard measures used by economists when quantifying the contribution of any organization to a local economy.

To estimate the impact of the SCSGC in this study, the Division of Research of the University of South Carolina’s Darla Moore School of Business used three detailed structural models (known as input-output models) of the South Carolina, North Carolina, and Georgia economies containing specific information on economic linkages between different industries. This study also utilized the input-output modeling software *IMPLAN* in calculating estimates.

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Section III – Assessing the Economic Impact of the SCSGC

The SCSGC contributes to the state of South Carolina and the tri-state region in three primary ways. First, the SCSGC is responsible for seeking out and acquiring competitive external grant funding to support scientific research, education, extension, communications, and training programs. One of the primary sources of economic growth in a region is the ability to attract new spending activity from outside of that region, and external funding is one such source. When external dollars are injected into a local economy, they increase the demand for various goods and services in that region over what it would have been otherwise. This increase in demand then facilitates the need for increases in employment and wages. The total external funding acquired by the SCSGC in the 2011-2012 fiscal year (FY2012) was \$3,317,681.

Approximately 81.3 percent of external funding received by the SCSGC is for programs located within South Carolina; the SCSGC research and outreach efforts also extend throughout the Southeast region.

The second major contribution of the SCSGC is through the organization and management of a major annual volunteer activity known as Beach Sweep/River Sweep and a pilot program, Clean Marine. Beach Sweep/River Sweep, initially

organized in 1988, provides systematic maintenance and cleanup services for the beaches, marshes, and waterways of South Carolina on an annual basis. Beach Sweep/River Sweep is a joint program of the SCSGC, which focuses its efforts on coastal beaches, marshes, and waterways, and the S.C. Department of Natural Resources, which focuses on inland waterways; this analysis captures only the coastal portion of the event. The Clean Marine Program, by contrast, was designed as a one-time program for the cleanup of larger marine debris in coastal waterways, including abandoned boats and unwanted fishing gear. Between these two programs, the SCSGC recruited and managed more than 9,200 hours of volunteer time in FY2012 devoted to maintenance and cleanup efforts. In order to determine the economic impact of this volunteer time, a wage rate of \$20.09/hour was assigned to each volunteer hour and then totaled.⁴ This total wage figure was then used to estimate the level of industry activity that would be associated with that level of labor income.⁵

⁴ This value was derived from the Current Employment Statistics compiled by the U.S. Bureau of Labor Statistics. It is based on the average hourly earnings (NSA) of all South Carolina employees reported for 2012.

⁵ This estimation was completed by assuming that the wages associated with the volunteer activities would have been paid to a waste management service that falls under North American Industry Classification System (NAICS) code 562998.

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Of course, the economic impacts of these cleanup activities go far beyond just labor costs. South Carolina's economy is strongly dependent on the coastal and marine region of the state, which is largely driven by the region's beaches and waterways. The natural resources and features of coastal South Carolina support various fisheries and aquaculture industries, coastal tourism, and the transportation and distribution industry that is supported by Charleston port activities. As the coast contains some of South Carolina's most important natural resources, it is critically important to provide services that consistently maintain and improve the quality of the beaches and waterways throughout the state.

The third major contribution of the SCSGC is that it actively contributes to the creation and development of independently run regional coastal and ocean startup programs devoted to research and education, as well as to workforce training programs that support various coastal industries. Once programs like these mature and become self-sufficient, they bring in their own external funding and therefore have their own economic impact.

The SCSGC also engages in various workforce-training programs, which support the marine fisheries and aquaculture industries. These programs are designed to provide

assistance to new businesses by, for example, streamlining the permitting process, providing long-term business planning workshops, and serving as the primary means of disseminating the services offered by various federal and state organizations devoted to marine science and coastal management (e.g., S.C. Seafood Alliance, S.C. Department of Natural Resources, U.S. Department of Agriculture).

This study specifically examines the economic impact of the Southeast Coastal Ocean Observing Regional Association (SECOORA) startup, and the economic activity supported by two workforce-training programs, one designed to increase shellfish aquaculture production and another to assist the commercial shrimping industry.

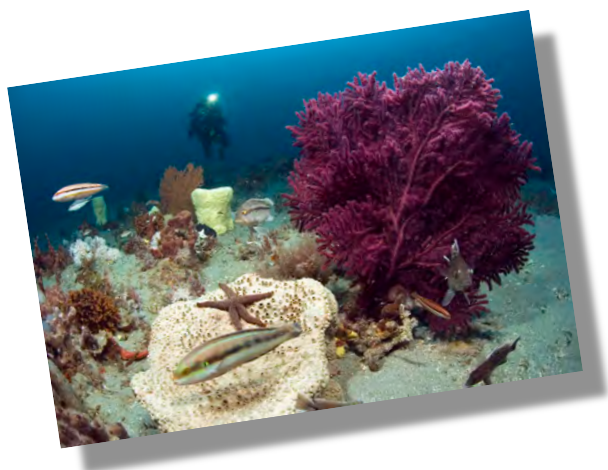
SECOORA's primary mission is to coordinate ocean-observing activities in the Southeast as one of eleven regional associations that make up the nation's Integrated Ocean Observing System network. SECOORA creates products and services to better monitor marine operations, coastal hazards, ecosystems, water quality, and climate change. Initially developed and managed by the SCSGC, in 2010 SECOORA successfully branched off from the SCSGC and became an independent non-profit corporation. It now generates its own funding with an annual operating budget of approximately \$400,000.

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The SCSGC has also implemented programs that directly benefit shellfish aquaculture producers and commercial shrimpers. Historically, aquaculture – and especially shellfish aquaculture – has been one of the more regulated forms of food production due to environmental and public health concerns. This has made it difficult for individuals and businesses to enter the industry and remain viable over time. In response, the SCSGC engaged the Shellfish Growers Association, the S.C. Department of Natural Resources, and the S.C. Department of Health and Environmental Control to develop means by which the permitting process could be streamlined and interested persons could enter the industry. Through a series of workshops and annual meetings with these groups, the SCSGC helped encourage new business activity and actively supported an industry that has increased at an annual rate of approximately \$500,000 over the last

five years.⁶ This increase in industry activity has also facilitated additional rounds of supplier and household spending that ripple through the local economy, which has generated further economic activity.

The SCSGC also provided workshops for commercial shrimpers as part of the Trade Adjustment Assistance (TAA) program provided by the U.S. Department of Agriculture. This program offers technical training and cash benefits to help farmers and fishermen remain competitive in a market with increasing competition from import activity. In order to qualify for cash benefits through the TAA program, the commercial shrimpers must complete twelve hours of coursework through the SCSGC workshops and also complete a business plan while at a workshop. Cash benefits that are awarded represent yet another source of federal funding that enters the state and generates a net benefit in economic activity for South Carolina.



⁶ This figure is based upon the farmgate value of shellfish aquaculture (seed, large seed, and harvested product) as reported by the South Carolina Sea Grant Consortium.

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Section IV – Results

State-Level Impacts

The structural input-output models estimate economic impacts in terms of the three specific measures outlined in Section II –

namely economic output, labor income, and employment.

Economic output refers to the annual dollar value of all goods and services associated with

the SCSGC. It represents the total contribution of the SCSGC to overall economic activity. Employment estimates signify the total number of full-time equivalent jobs that are needed to support the demand for this economic activity, and labor income represents the total compensation (wages, salaries, and benefits) that is associated with this level of total employment.

The total direct impact of the SCSGC on the state of South Carolina totals approximately \$5.5 million during the 2011-2012 fiscal year. This encompasses all of the external funding, program operations, and

volunteer activities summarized in Section III. This direct impact then leads to additional rounds of spending activity through increases in the demand for goods and services in

related supply-based industries, as well as through increases in household spending activity (the indirect and induced effects). Both of these multiplier effects were estimated

and are reported for South Carolina in Table 1, along with the accompanying totals.

The approximately \$5.5 million in direct economic output leads to an additional \$1.73 million in indirect effects, which is the estimated total dollar value of the increased demand for goods and services of in-state suppliers that result from the \$5.5 million of direct procurement activity due to activities of the SCSGC. This direct output also leads to \$1.66 million in induced effects, which represents the additional household spending that occurs across a wide-variety of industries within the state.

The total annual economic impact of the SCSGC on South Carolina is \$8.9 million. On the tri-state region, the impact is \$11.5 million.

Table 1 – Economic Impact of the SCSGC on South Carolina

	Economic Output	Labor Income	Employment
Direct Impact – South Carolina	\$5,518,806	\$1,670,398	96
Indirect Impact – South Carolina	\$1,725,051	\$604,764	17
Induced Impact – South Carolina	\$1,656,803	\$521,148	14
Total Impact – South Carolina	\$8,900,660	\$2,796,310	127

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The combination of these direct, indirect, and induced impacts shows that the total annual economic impact of the SCSGC on the state of South Carolina is \$8.9 million. The economic multiplier associated with this level of activity is 1.6. Thus, for every \$100 that is spent on activities associated with the SCSGC, an average of \$60 in additional economic activity is generated within South Carolina. This \$8.9 million total economic impact is also associated with a gain of 127 jobs and over \$2.7 million in labor income for South Carolina residents.

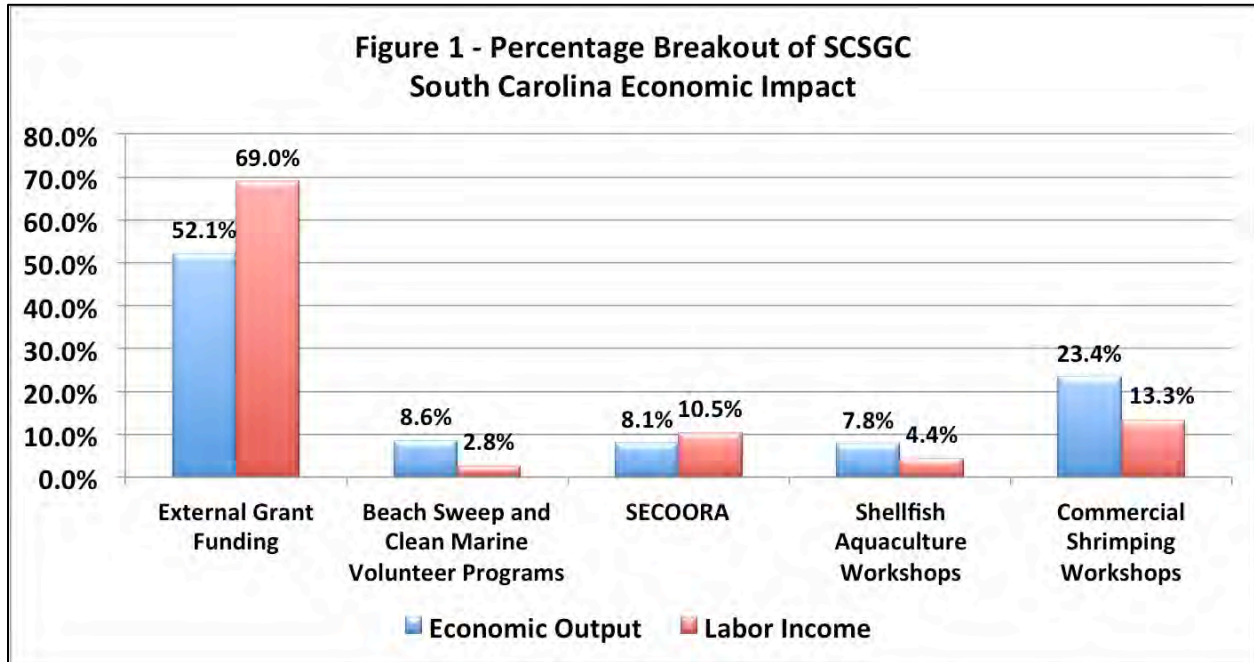
South Carolina is home to both the SCSGC as well as the majority of the research organizations with which the SCSGC affiliates. Thus, the majority of the external funding that the SCSGC acquires is distributed among organizations within South Carolina. Nevertheless, the SCSGC also has a positive economic impact on the states of North Carolina and Georgia of \$382,241 and \$404,069 in total economic activity, respectively.⁷ This is due to federal dollars that are subcontracted to research institutions within these states for either services that are not available in South Carolina or for relatively larger and more complex projects requiring a coordinated effort among the southeastern coastal states.

⁷Note that due to economic spillover effects, summing the total impacts in each state will not exactly match the total tri-state impacts reported in Table 3.

Figure 1 (next page) provides a breakdown of the economic impact of the SCSGC in South Carolina into various sources. Notice that while a sizeable amount of economic output (\$4.6 million) is the result of direct external grant funding for marine and coastal research activities, this only encompasses 52.1 percent of the SCSGC's total impact. An additional 23.4 percent (\$2.1 million) results from the federal funding training grants that commercial shrimpers qualified for through assistance from the SCSGC, while the remaining 24.5 percent was the result of volunteer programs, shellfish aquaculture workforce training, and spinoff of the SECOORA nonprofit corporation.

By contrast, a far higher percentage – 69.0 percent – of the \$2.8 million in labor income generated in South Carolina due to the SCSGC was generated through direct external grant funding for marine and coastal research. Scientific research and development is typically labor intensive, and the high concentration of labor income shows this to be the case for the SCSGC research activities. SECOORA, the activities of which are also primarily in research and development, also contributed a higher percentage to South Carolina's labor income (10.5%) than it did to the state's economic output (8.1%). Additionally, these research and development programs have the highest employment multipliers (at

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approximately 2.1) among all of the activities associated with the SCSGC analyzed in this study. This implies that for every 10 direct jobs created in South Carolina from research activities associated with the SCSGC, on average, an additional 11 jobs are created elsewhere in the state.

Regional Impacts

Table 2 breaks down the total economic impact of the SCSGC on the tri-state region of South Carolina, North Carolina, and Georgia, which totals nearly \$11.5 million in economic output. This is associated with a net gain of approximately \$3.8 million in labor income.⁸

⁸ Due to industry-level labor to capital ratio differences between the individual states and the broader tri-state region, there was no new job creation at the tri-state level that was not

When compared with the impact on South Carolina alone, the SCSGC has an impact on the tri-state region of approximately \$2.57 million in additional economic activity and approximately \$1.05 million in additional labor income. The reasons for this additional activity are twofold:

	Economic Output	Labor Income
Direct Impact	\$6,242,445	\$2,134,234
Indirect Impact	\$2,584,317	\$867,485
Induced Impact	\$2,644,435	\$844,691
Total Impact	\$11,471,197	\$3,846,410

already captured in the impact results displayed in Table 1.

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(1) as mentioned above, some external dollars allocated to the SCSGC are subcontracted to research institutions in North Carolina and Georgia for services not available in South Carolina or for relatively more complex projects requiring multi-state collaboration; and (2) in each round of multiplier spending within South Carolina, dollars are “leaked out” of the state’s economy because of out-of-state spending activity – but the tri-state impact is able to capture the multiplier effects of any dollars that are “lost” due to being spent in North Carolina or Georgia.

The economic multiplier associated with the \$11.5 million in output is 1.8. Thus, for every \$100 that is spent on activities associated with the SCSGC, an average of \$80 in additional economic activity is generated within the tri-state region.

Cost-Benefit Analysis

To put the economic impact of the SCSGC into perspective, it is useful to complete a straightforward return-on-investment (ROI) analysis for the state of South Carolina. During the 2011-2012 fiscal year (FY2012), the state of South Carolina contributed \$332,223 in state appropriations to the SCSGC for program management and administration. Unlike federal funding or other spending activity that comes from outside of South Carolina, state funded expenditures that are supported by state tax revenue do not directly create new economic activity. Rather, they re-allocate economic activity from one sector of the economy to another. Thus, the external funding that the SCSGC generates (and the total economic activity that goes along with it) can be compared to the state appropriations that it receives to determine an accurate ROI for the state and the tri-state region. Table 3 provides this

**Table 3 –Return-on-Investment Summary
FY2012**

	Total Economic Activity in South Carolina	Total Economic Activity in Tri-State Region
Federal Grant Funding	\$4,640,887	\$6,545,367
Beach Sweep/River Sweep and Clean Marine Volunteer Programs	\$762,881	\$863,494
SECOORA	\$716,519	\$790,575
Shellfish Aquaculture Workshops	\$695,093	\$817,940
Commercial Shrimping Workshops	\$2,085,280	\$2,453,821
<hr/>		
<i>Totals</i>	<i>\$8,900,660</i>	<i>\$11,471,197</i>
<i>FY2012 State-Funding</i>	<i>\$332,223</i>	<i>\$332,223</i>
<hr/>		
Return-on-Investment: Federal Grant Funding	1,397%	1,970%
Return-on-Investment: Total	2,679%	3,453%

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comparison by detailing the total increase in economic activity (direct, indirect, and induced) that occurs as a result of the activities and support of the SCSGC. Table 3 provides a breakdown of the non-state funding generated or supported by the SCSGC in each of the activities analyzed in this study, as well as the total economic activity that results from these expenditures and their accompanying ROI estimates.

When comparing the total economic activity in South Carolina in FY2012 that is derived from the federal grant funding obtained by the SCSGC (\$4,640,887) to the state appropriations in FY2012, the resulting ROI was 1,397 percent. This implies that, on average, for every dollar appropriated to the SCSGC, the SCSGC generates approximately fourteen dollars in new economic activity in South Carolina. Further, when incorporating the additional support activities in which the SCSGC engages, the resulting ROI increased to 2,679 percent. Thus, through all activities either derived from or supported by the SCSGC, each dollar appropriated to the SCSGC by the state of South Carolina generates or supports nearly twenty-seven dollars

...each dollar appropriated to the SCSGC generates or supports nearly twenty-seven dollars in new economic activity in South Carolina.

in new economic activity in South Carolina.

Similarly, the ROI that results from comparing the total economic activity in the tri-state region in FY2012 that is derived from the federal grant funding obtained by the SCSGC to the South Carolina state appropriations is 1,970 percent.

When this was expanded to incorporate all additional support activities in which the SCSGC engages, the number increased to 3,453 percent. Thus, on average, for every dollar that is appropriated to the SCSGC by the state of South Carolina, the SCSGC generates or supports approximately thirty-five dollars in new economic activity in the tri-state region.

Section V – Conclusion

It is critically important to South Carolina's economy that the state's diverse coastal and ocean resources be sustainably utilized and managed going forward. The coastal region of South Carolina is vital for the ongoing economic health of coastal communities, coastal tourism and recreation industries, fisheries and aquaculture operations, seaport activity, traditional waterfront uses, and many other business and social

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activities that depend on our coastal and ocean resources. The primary purpose of the SCSGC is to generate and provide science-based information to enhance the practical use and conservation of coastal and marine resources that fosters a sustainable economy and environment for the businesses that depend on them and for the people who enjoy them.

Through acquiring external funding for research and development, coordinating volunteer activities, and creating independent regional research, extension, education, and workforce training programs, in FY2012 the SCSGC contributed to or supported over \$8.9 million in economic activity for the state of South Carolina and nearly \$11.5 million in economic activity for the tri-state region of South Carolina, North Carolina, and Georgia. This is associated with an increase in labor income of nearly \$2.8 million for South Carolinians and over \$3.8 million for the tri-state region as a whole.

Yet perhaps most striking is the ROI that this economic activity implies for South Carolina. For FY2012, comparing the \$8.9 million in economic activity with the \$332,223 in state appropriations yields an ROI of 2,679 percent. In other words, the SCSGC generates or supports approximately twenty-six dollars worth of new economic activity within

South Carolina for every dollar allocated to the SCSGC in state appropriations.

Thus, the SCSGC not only provides a value to the many coastal industries, businesses, and organizations of South Carolina by providing science-based information on the state's coastal resources to support sustained use, but also through its own, independent impact of \$8.9 million in economic output that generates new jobs and incomes for South Carolinians.

